



Advisory Actions 2000

Department of General Services
Office of Public School Construction

April 26, 2000 - Issue 05
State Allocation Board Meeting

Executive Corner

It is with delight that the Office of Public School Construction (OPSC) announces the May 2000 release of The OPSC Greatest Bytes Volume I filled with many useful resources for your State Allocation Board (SAB) school facilities needs. This CD-ROM contains up-to-date SAB and OPSC resources such as: Public School Construction Cost Reduction Guidelines; Deferred Maintenance Program Handbook and Forms; Disabled Veteran Business Enterprises Handbook and Forms for the Lease-Purchase Program; School Facility Program Guidebook, Forms and Regulations; State Relocatable Classroom Program Handbook and Forms; Unused Sites Program Handbook and Forms and the OPSC Directory of Services.



We will be mailing The OPSC Greatest Bytes Volume I to each school district and county superintendent of schools this month. Be on the lookout for your copy! Districts may also access these individual resources now on the OPSC Web site at www.opsc.dgs.ca.gov.

Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Pending Litigation

It is important that districts are aware of pending litigation in which the plaintiffs are requesting a temporary restraining order that could suspend the Board's authority to make new construction apportionments for an unknown period of time. Districts preparing to enter into construction commitments with the anticipation of a future SAB apportionment should consult its legal counsel.

Status of Modernization Funds

The second cycle of Proposition 1A modernization funding, due to become available in July of this year, is anticipated to be apportioned to modernization projects already waiting on an "unfunded" approval list. However, districts are strongly encouraged to continue making application for modernization funds to clearly demonstrate the ongoing need for modernization statewide and for the districts' advantage to position itself "in line" at the earliest possible date for possible future funding.

Applications Filed Based on Effective Regulation Amendments

Districts are reminded that it can only file an application based on regulation amendments when the specific provision has been finalized in regulation and become effective. Applications that include provisions that are not yet effective for proposed regulation amendments shall be deemed incomplete and returned to the districts.

Educational Technology for Grandfathered Lease-Purchase Program (LPP) Projects Funded with Proposition 1A

Districts are advised that the educational technology project allowance for grandfathered LPP projects funded with Proposition 1A funds may be utilized for wiring, cabling, power upgrades and hardware; such as computers, printers and servers.

Amendments to the School Facility Program (SFP) Regulations

The SAB adopted amendments to the SFP Regulations and directed the OPSC to begin the regulation process with the Office of Administrative Law. The amendments are summarized as follows:

- ✓ Minimal Requests for Modernization Grants, SFP Regulation Section 1859.79.3
 - Districts seeking modernization grants must apply for at least 101 grants, or the remaining modernization eligibility at the school site, if less than 101 grants. This criteria must be met for all modernization applications received by the OPSC after April 7, 2000. Eligible modernization grant requests received on or prior to April 7, 2000 will be processed for SAB approval, without regard to this criteria.
- ✓ Separate New Construction Design Apportionments, SFP Regulation Section 1859.81. The 20 percent amount intended to provide adequate planning funds for new construction projects for financial hardship districts has been deemed inadequate by the SAB. Therefore:
 - The SAB has increased the separate design apportionment to an amount up to 40 percent of the new construction grant.
 - The separate design apportionment provision for modernization projects will remain at up to 20 percent of the modernization grant.
 - The amount of the separate apportionment is an estimate of the funds needed for design, engineering and other pre-construction project costs.
 - Districts are cautioned that this increase to the separate design apportionment is *not* an overall increase to the project grant. As provided in regulation, this amount will be offset from the “full and final” new construction adjusted grant, and districts are responsible for budgeting the grant funds, as appropriate.
 - If a district received a previous separate

new construction design apportionment, the district may request an additional design apportionment for that project up to the 40 percent maximum design apportionment allowed; however, districts may not file an application for the additional 20 percent design funds for the new construction project until this provision has been finalized in regulation.

Annual Reporting of Unused Sites

On May 1, 2000, the OPSC mailed out the annual Certification of Unused Sites (Form SAB 423) and the Modification of Unused Sites Status (Form SAB 424). All districts are required to verify the information on Form SAB 423, sign it and return it to the OPSC, even if the district has no unused sites.

If a district has any changes to the data provided on Form SAB 423 (such as a new unused site, sold a site, request to have the fees waived or reduced), the district must complete Form SAB 424 for each unused site where a modification has taken place. Requests for waivers or fee reductions must be requested annually by submitting Form SAB 424 for each applicable site. These forms must be returned to the OPSC no later than July 5, 2000. If you have any questions, please contact Valerie Lane, Unused Sites Project Manager, at valerie.lane@dgs.ca.gov or (916) 324-4680 or Sally Lemenager, Unused Sites Project Manager, at sally.lemenager@dgs.ca.gov or (916) 323-0139.

Cost Reduction Guidelines

The OPSC is pleased to announce the SAB approval and availability of the Public School Construction Cost Reduction Guidelines. This resource has been developed to provide districts realistic and insightful help in achieving measurable reductions in the cost of school facilities construction. Districts may access the guidelines on the OPSC Web site at www.opsc.dgs.ca.gov, or later this month on your copy of The OPSC Greatest Bytes Volume I.

Class Size Reduction

The Board approved the California Department of Education's (CDE) request for a transfer of \$600,000 to the CDE to fund various districts with eligible Class Size Reduction (CSR) facilities for the 1998-99 Fiscal Year. It is anticipated that an item will be scheduled for the July 26, 2000 SAB meeting to present alternative uses for the balance of the CSR funding. For specific information regarding the CSR Programs, please contact Fred Yeager, Consultant with the CDE, at (916) 327-7148.

Response to Board's Directive

As directed by the SAB at its January 26, 2000 meeting, the OPSC presented a report to the SAB on several topics. The OPSC's response on each topic is summarized as follows:

- ✓ The timely submission of applications.
 - The OPSC continues participation in various conferences, seminars and workshops, with the primary focus on facilitating the timely submission of applications.
 - The OPSC has numerous resources available on the OPSC Web site that can assist districts in completing and filing timely applications for funding.
- ✓ Alternative priority point system.
 - Amendments to the SFP Regulations for an alternative new construction priority point system that allows the Board to consider thresholds for funding of new construction projects were adopted by the SAB on March 22, 2000.
- ✓ Reimbursements.
 - Amendments to the SFP Regulations to address the reimbursement of eligible SFP projects when funding is unavailable were adopted by the SAB on March 22, 2000.
- ✓ New construction survey.
 - The OPSC conducted a survey of the districts to determine the anticipated new construction projects to be submitted to the SAB for funding.
 - The results indicate a combined need of approximately \$6.4 billion in State and local funds for new construction within the next 30 months.
- ✓ Department of Toxic Substances Control (DTSC) expedited processing.
 - This issue will be presented at a future SAB meeting.

SFP New Construction Plans and Specifications/DSA Approval

Districts were previously advised that, prior to complete funding applications being accepted by OPSC, not only must the construction plans be approved by the Division of the State Architect (DSA) but manufactured relocatables must also have full DSA approval when included in the project. This requirement appears to have placed some districts in the position of having to commit to the purchase of the relocatables before receiving SAB grant approval. In a review of this interpretation, it was determined that the initial stamped DSA approval of the construction documents satisfies the requirement relating to the DSA approval of the relocatables in the plans as long as the plans indicate there has been or will be an incremental DSA approval of the relocatables.

As a result, the OPSC will accept as complete applications which include manufactured relocatable buildings as a part of a construction contract with the DSA approved plans and specifications, as long as the relocatable buildings have or will receive an incremental DSA approval. This acceptance is for purposes of processing the district's application; the District is still required to obtain the subsequent DSA final approval for the manufactured relocatable buildings, as appropriate.

Construction Cost Indices

Lease Purchase Program Construction Cost Indices for: April 2000			
B	D	F&E	HSI
1.38	1.39	1.37	5.10

Public Comment Period for Proposed Regulations

Written comments, in response to the 45-day public comment period for the proposed SFP regulations approved by the SAB on March 22, 2000 must be received at the OPSC no later than May 22, 2000, at 5:00 p.m. The proposed amendments to the regulations specifically address the implementation of priority points for the funding of new construction projects. For further information regarding the public comment period, please refer to the April 7, 2000 Notice of Proposed Regulatory Action that was previously sent to all districts and county superintendents of schools. For specific information regarding the Notice of Proposed Regulatory Action, please contact Lisa Jones, Regulations Coordinator, at ljones@dgs.ca.gov or (916) 322-1043.

Status of Funds

Program	Funds Available as of 3/22/00	Apportionments and Adjustments	Balance Available
Proposition 1A			
New Construction	208.3	-48.2	160.1
Modernization	8.5	0.3	8.8
Hardship	96.5	-28.0	68.5
Class Size Reduction	241.6	-0.6	241.0
SUBTOTAL	554.9	-76.5	478.4
Prior Bond Funds			
Contingency Reserves	56.6	2.8	59.4
Northridge Earthquake	1.8	0	1.8
SUBTOTAL	58.4	2.8	61.2
GRAND TOTAL	613.3	-73.7	539.6

Note: The SAB funded \$200,000 for Deferred Maintenance Program critical hardship "on going" projects.

The SAB also made "unfunded" approvals for SFP modernization projects in the amount of approximately \$169.6 million. Currently, there are projects totaling approximately \$995.2 million on the modernization "unfunded" list.

Copies of the applicable SAB actions, proposed regulations and additional information can be located on the OPSC Web site at www.opsc.dgs.ca.gov. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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